

Message Text

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ACTION EUR-12

INFO OCT-01 IO-11 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 CIAE-00

COME-00 EA-07 FRB-03 INR-07 NEA-10 NSAE-00 OPIC-03

LAB-04 SIL-01 AGR-05 ITC-01 OIC-02 /113 W

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R 021525Z MAR 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6845

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

C O N F I D E N T I A L BONN 03421

E.O. 11652: GDS

TAGS: EIND, ETRD, OECD, CIEC, EEC

SUBJECT: CIEC RAW MATERIALS COMMISSION: INTRA--EC
DEBATE ON TACTICS

REF: USEC 2027

1. SUMMARY. FRG IS IRATE OVER EC COMMISSION EFFORTS
TO REACH CONCIUSIONS WITHIN CORM AND UNCTAD COMMITTEE
ON COMMODITIES ON MEASURES FOR DEALING WITH SPECIFIC
COMMODITIES PRIOR TO UNCTAD - IV. AN ACRIMONIOUS
DEBATE WITHIN EC ON COMMODITY POLICY SEEMS INEVITABLE.

2. DEPUTY ASSISTANT SECRETARY MUEILER-THUNS IN FRG
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ECONOMICS MINISTRY HAS TOLD EMBOFFS THAT HE IS DIS-

PLEASED WITH EFFORTS OF EC COMMISSION AIMED AT HOLDING DISCUSSIONS IN CORM OF SPECIFIC SOLUTIONS TO COMMODITY PROBLEMS PRIOR TO UNCTAD-IV. HE ASCRIBED THESE EFFORTS TO COMMISSION'S WILLINGNESS TO PLAY FRENCH GAME OF PUSHING FOR SPECIFIC RESULTS FROM CIEC ITSELF. HIS OFFICE HAD JUST RECEIVED THE NEW COMMISSION PAPER ON THE UNCTAD IIST OF L7 COMMODITIES (PARA. 6 REFTTEL) AND HE COULD NOT YET COMMENT ON IT. HOWEVER, HE PLANNED HIMSELF TO PARTICIPATE IN MARCH 2-3 REVIEW OF THIS PAPER BY EC AD HOC GROUP ON RAW MATERIALS, AND HE INDICATED THAT HE WILL TRY TO USE THIS OCCASION TO PERSUADE COMMISSION TO REFRAIN FROM INITIATIVES GOING BEYOND GENERAL CONSENSUS REACHED BY MEMBER COUNTRIES.

3. MUELIER-THUNS SAID THAT FRG RECOGNIZES THAT A DISCUSSION OF SPECIFIC COMMODITIES WILL BE UNAVOIDABLE AT NEXT SESSION OF CORM. FRG IS WILIIING TO MOVE INTO THIS STAGE OF THE DIALOGUE ON RAW MATERIALS, BUT IT DOES NOT WANT TO PREJUDGE UNCTAD-IV NEGOTIATIONS BY STARTING A DISCUSSION WITHIN CORM OF POSSIBLE SOLUTIONS. MUELLER-THUNS THEREFORE INTENDS TO PROPOSE AT MARCH 2-3 MEETING THAT EC TAKE A STANCE AT NEXT CORM MEETING WHICH SUPPORTS ONLY A REVIEW OF FACTS RELATING TO SPECIFIC COMMODITY MARKETS.

4. ACCORDING TO MUELLER-THUNS, THE FRENCH DESIRE FOR EARLY PROGRESS ON COMMODITY ARRANGEMENTS IS ALSO EVIDENT IN THE EC COMMISSION'S PROPOSED RE-DRAFT OF THE GROUP B POSITION PAPER FOR THE UNCTAD COMMITTEE ON COMMODITIES. EVEN THOUGH IT DID NOT HAVE THE CONSENT OF MEMBER COUNTRIES, THE COMMISSION TABLED THIS DRAFT ON FEBRUARY 27 IN GENEVA. MUELLER-THUNS WAS PARTICULARLY IRATE OVER THE FINAL PARAGRAPH OF THIS PAPER, WHICH WOULD PUT THE EC ON RECORD AS ACKNOWLEDGING THAT MARKET STRUCTURES ARE DEFICIENT FOR AT LEAST SOME OF THE 17 UNCTAD COMMODITIES, AND THAT URGENT NEGOTIATIONS ARE REQUIRED FOR DEVISING APPROPRIATE MEASURES INCLUDING THEIR FINANCIAT ASPECTS. THE FRG PROPOSED A RE-DRAFT WHICH WOULD HAVE LIMITED THE PROPOSALS CONCERNING

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TIMETABLE TO SUPPORT FOR AN EARLY EXAMINATION OF MARKET STRUCTURES OF COMMODITIES SUGGESTED BY DEVELOPING COUNTRIES. ACCORDING TO MUELLER-THUNS THIS FRG PROPOSAL WAS DISREGARDED BY THE COMMISSION ON THE GROUNDS THAT THERE WAS INSUFFICIENT TIME TO CONSIDER SUCH REVISIONS.

5. COMMENT. FROM OUR PERSPECTIVE IN BONN, IT

LOOKS AS IF THE FRG IS NOT ABOUT TO RELAX ITS BLUNT
REACTION TO THE EC COMMISSION'S HANDLING OF COMMODITY
ISSUES WHICH SURFACED DURING THE INTERNAL EC DIS-
CUSSIONS IN PARIS OVER THE COMMUNITY'S POSITION IN
CORM. THIS POLICY CONFLICT WILL BY NO MEANS BE SETTLED
AT THE MARCH 2-3 EC REVIEW. ON THE CONTRARY, IT IS
LIKELY THAT THE EC FACES A SERIES OF ACRIMONIOUS
DEBATES OVER COMMODITY POLICY LASTING AT LEAST THROUGH
UNCTAD-IV.
HILLENBRAND

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